



FORM REW-5
MAINE REVENUE SERVICES
INCOME/ESTATE TAX DIVISION - REW
P.O. Box 1064
Augusta, ME 04332-1064
Tel. 207-626-8473 Fax 207-624-5062
Email: realestate.withholding@maine.gov

**REQUEST FOR EXEMPTION OR REDUCTION IN WITHHOLDING OF MAINE INCOME TAX ON
THE DISPOSITION OF MAINE REAL PROPERTY**

TO BE COMPLETED BY SELLER

**This form must be submitted and granted prior to closing. No exemptions or reduced withholding
certificates will be granted after the closing date.**

Applicant(s) seller(s) name: _____

Mailing address: _____

SSN or Fed. EIN: _____ Daytime phone no.: _____

E-mail address : _____

This request for a withholding rate reduction or exemption is submitted in accordance with 36 M.R.S. §§ 5250-A(3)(B) & 5250-A(4), which authorizes the State Tax Assessor to issue a certificate of no tax due or reduction in the amount of tax to be withheld. The rate of withholding is 2.5% of the total consideration or, at the request of the seller, the State Tax Assessor may authorize a reduced amount of withholding equal to the gain multiplied by 7.95% (8.93% for a C corporation).

1. **Attach a draft copy of the current Maine Real Estate Transfer Tax Declaration form. If this form is not attached, Maine Revenue Services will be unable to process your request.** Contact the real estate escrow person (usually the title company/lawyer performing the closing) for assistance in acquiring this form.
2. I am requesting ☐ an exemption from ☐ a reduction in the Maine Real Estate Withholding tax.
3. Estimated closing date of current pending sale: _____
4. Total sales price of current pending sale: \$ _____
5. Date property acquired by seller: _____
6. Method of acquisition (check appropriate box):
 - ☐ Purchase (attach verification of original purchase price)
 - ☐ Inherited (attach verification of the fair market value when inherited). Decedent's full name _____, SSN _____, date of death _____
 - ☐ Gift or other, explain & provide verification _____

7. How will you be reporting this sale of real property on your federal return (check appropriate box) ?
 - ☐ Loss
 - ☐ Gain
 - ☐ Exclusion of capital gain on principal residence
 - ☐ Installment Sale (**attach copy of Installment Sale Agreement**)
 - ☐ Like-kind exchange (**attach copy of the like-kind exchange agreement**) Check box if there is a boot (receiving cash at closing). ☐ Amount of boot: \$ _____
 - ☐ Other. Explain and cite the IRS rule being followed _____

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8. What was the use of this property during your ownership (check appropriate box):

☐ Principal Residence at least 2 out of the last 5 years from the date of sale. Enter dates of principal residence:

from (mo/yr) _____ to (mo/yr) _____

☐ Vacation/Second Home

☐ Vacant Land

☐ Rental/Commercial use; length of time: years _____ months _____

☐ Other, explain _____

9. **Basis of property: Complete the following**

If this was your principal residence at least 2 out of the last 5 years from the date of sale, and the gain will be excluded from federal gross income under the Internal Revenue Code ("IRC"), do not complete this information. If this is an installment sale, you may complete this information for an additional reduction in real estate withholding if applicable.

Original purchase price \$ _____

Capital improvements (as defined by IRC* and related regulations) \$ _____

Allowable seller's original purchase costs (per IRC* and related regulations), if known \$ _____

Allowable seller's current closing costs (per IRC* and related regulations) \$ _____

If rental/commercial use, provide allowed or allowable accumulated depreciation, per IRC* and related regulations _____

Other basis information not mentioned above to be considered _____

Consult the Internal Revenue Service (www.IRS.gov) or your tax preparer for assistance in completing lines 7, 8 & 9.

If you have any questions or need assistance in completing this form, please call (207) 626-8473.

Under penalties of perjury, I declare that I have examined this application and attached schedules and statements, and to the best of my knowledge and belief they are true, correct and complete. You must have power of attorney to sign this form if you are not the applicant. Do not forward the power of attorney to this office.

Signed: _____ Date: _____

Print Name: _____

Title (if seller is not signing this form) : _____